

IN RE:	)	Jointly Administered at
	)	Case No. 302-00979
PEN HOLDINGS, INC., et al.,	)	Chapter 11
	)	
Debtors.	)	Judge Keith M. Lundin

The Official Committee of Unsecured Creditors and the Debtors, as well as Ableco Finance LLC, Foothill Capital Corporation and Regiment Capital II, L.P. ("Lender Group") (collectively, the "Plan Proponents") are soliciting your vote on the Plan of Reorganization filed by the Debtors and the Official Committee of Unsecured Creditors for Pen Coal Corporation as Co-Proponents ("Committee/Debtors' Plan") and the Plan of Reorganization filed by the Lender Group ("Lender Group Plan") (collectively the "Plans") referred to in the accompanying Disclosure Statement. Please review the Combined Disclosure, the Separate Disclosures, the Summary of the differences in the Plans and other Plan Documents enclosed herewith carefully before you vote. You may wish to seek advice from financial or legal advisors concerning the Plans and your classification and treatment under the Plans.

**EACH OF THE PLANS PROPOSED BY THE COMMITTEE/DEBTORS AND THE LENDERS IS PREMISED UPON SUBSTANTIVE CONSOLIDATION OF ALL SIX BANKRUPTCY CASES INTO A SINGLE CASE. A MOTION TO SUBSTANTIVELY CONSOLIDATE THE CASES IS PENDING BEFORE THE COURT BUT WILL NOT BE ACTED UPON PRIOR TO THE DEADLINE FOR VOTING ON THE PLANS. YOU ARE BEING ASKED TO VOTE ON THE PLANS AS THOUGH THE CASES HAVE BEEN SUBSTANTIVELY CONSOLIDATED BECAUSE NEITHER PLAN WILL BE APPROVED IF THE COURT DENIES THE MOTION TO SUBSTANTIVELY CONSOLIDATE THE CASES.**

**A Plan will be deemed accepted by a class of claimants if it is accepted by the holders of two-thirds in amount and more than one-half in number of such voting claimants.**

**If either of the Plans is confirmed by the Bankruptcy Court, it will be binding on you whether or not you vote.**

If your ballot is not received by Craig V. Gabbert, Jr. on or before July 14, 2003 at 4:00 p.m. (Nashville time), and such deadline is not extended, your vote will not count as either an acceptance or rejection of the Debtor's Plan or Lender Group's Plan. Ballots may be submitted by facsimile to: Craig V. Gabbert, Jr. at 615-251-1058.

BKRP 01  
Recd 6/25/03

## ACCEPTANCE OR REJECTION OF THE PLAN

The undersigned is a holder of a Class \_\_\_\_\_ claim under the Plans in the unpaid amount of \$ \_\_\_\_\_.

This ballot will be treated as two ballots -- one for each plan. You may vote for or against either plan or for or against both plans.

With respect to the Committee/Debtors' Plan:

Claimant ☐ Accepts the Plan

☐ Rejects the Plan

(check one box only)

With respect to Lender Group's Plan:

Claimant ☐ Accepts the Plan

☐ Rejects the Plan

(check one box only)

If you voted to accept both the Committee/Debtors' Plan and Lender Group's Plan, please indicate below which plan you prefer.

Claimant Prefers Committee/Debtors' Plan: ☐

Claimant Prefers Lender Group's Plan: ☐

DATED: \_\_\_\_\_

Print or type name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title (if corporation or partnership): \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

### RETURN THIS BALLOT TO:

Craig V. Gabbert, Jr.  
Harwell Howard Hyne Gabbert & Manner, P.C.  
315 Deaderick Street, Suite 1800  
Nashville, TN 37238  
Facsimile Number: 615-251-1058